UNION Properties PJSC الإتحاد العقارية

Press Release

Union Properties announces plans to list ServeU on DFM in second half of 2018

- Proceeds from offering will be used to enhance Union Properties' operations and develop its investment portfolio
- Move comes as part of the Group management's new strategy to enhance its investments, diversify its revenue sources and expand into new markets

Dubai, United Arab Emirates, 25 December 2017: Union Properties, one of the leading real estate developers in the United Arab Emirates, today announced its intention to raise capital through an initial public offering (IPO) of the shares of ServeU, its facilities management subsidiary, in the second half of 2018. The Group will list the ServeU shares on Dubai Financial Market (DFM) and invest the proceeds from the IPO to enhance Union Properties' operations and develop its investment portfolio.

Established in 1985, ServeU is one of the leading facilities management companies in the region. Its services include property maintenance, general maintenance, security, cleaning, waste transportation and landscaping.

The move comes as part of Union Properties' recently adopted strategy, which focuses on enhancing its investments, diversifying revenue sources and expanding into new markets.

Ahmed Yousef Khouri, Group CEO of Union Properties, said: "2018 marks a new phase of development and growth for Union Properties. After the Group's extensive changes in management, structure and strategy in 2017, the company now has a unique position

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that will help it continue to strengthen its portfolio, diversify its revenue streams and enter new markets in the Middle East and beyond."

He added, "ServeU is one of Union Properties' leading companies and it occupies a very prominent position in the facilities management sector. Over the past three decades, ServeU has proven its ability to provide professional, reliable and efficient services. We believe that ServeU is ready to be publicly listed at a time when Union Properties is heading towards a new era of growth and expansion."

In line with its strategy to further diversify its operations and revenue sources, Union Properties also established two fully-owned subsidiary companies in the third quarter of 2017: Union Malls, which offers retail and leisure options in Union Properties developments, and Al Etihad Hotel Management, which develops and manages luxury hotels and furnished residences in Dubai.

In October, Union Properties announced the formation of a new investment arm, UPP Capital Investment, which comes within the framework of the real estate group's diversification strategy. The new entity specialises in direct and indirect property investments, and provides in-house expertise to support Union Properties' long-term growth strategy.

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